

## Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /140 W  
-----081856 112218Z /14

R 101129Z JUL 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 9301  
INFO AMEMBASSY LONDON

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EO 11652: N/A  
TAGS: ENRG, IR  
SUBJ: PETROLEUM: CONSORTIUM REPS COMPLETE ROUND OF  
DISCUSSIONS WITH NIOC-SOME PROGRESS RECORDED

1. TEHRAN REPRESENTATIVE OF CONSORTIUM, MR. JOHN ORANGE, HAS INFORMED EMBASSY THAT LONDON-BASED REPRESENTATIVES OF THE CONSORTIUM HAVE JUST COMPLETED ANOTHER ROUND OF DISCUSSIONS WITH OFFICIALS OF GOI'S NATIONAL IRANIAN OIL COMPANY. APPARENTLY SOME PROGRESS TOWARDS A NEW AGREEMENT, WHICH WOULD REPLACE 1973 GOI-CONSORTIUM AGREEMENT, WAS RECORDED. THE REPRESENTATIVES OF SEVERAL OF THE U.S. AND EUROPEAN OIL COMPANIES WHICH COMPRISE THE CONSORTIUM ARE EXPECTED BACK IN TEHRAN IN ABOUT TEN DAYS TO RESUME DISCUSSIONS WITH NIOC.

2. EMBASSY UNDERSTANDS THAT THE CONSORTIUM OFFERED TO LIFT FOR THE BALANCE OF THE YEAR 3.3 MILLION BARRELS A DAY PROVIDED NIOC GIVES DOLLARS 0.20 PER BARREL DISCOUNT FROM OPEC PRICES PLUS A SERVICE FEE FOR WORK DONE. ORANGE STATES THAT NIOC HAS IN FACT AGREED IN PRINCIPLE TO A DISCOUNT OF 20 CENTS PER BARREL. ORANGE NOTED THAT AGREEMENT WOULD HAVE TO BE REACHED SOON IF LIFTINGS OF 3.3 MILLION BARRELS A DAY FOR  
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BALANCE OF YEAR IS TO BE REALIZED.

3. MEMBER COMPANIES OF THE CONSORTIUM MUST NOW BE CONSULTED AND THEIR APPROVAL SECURED TO WHAT HAS BEEN AGREED TO IN PRINCIPLE THUS FAR.

4. FURTHER DEVELOPMENTS WILL BE REPORTED AS THEY BECOME

AVAILABLE.

NAAS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, CONSORTIUMS  
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**Draft Date:** 10 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TEHRAN06566  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Review Markings:**  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014